

Minutes of the Finance Committee

Wednesday, August 16, 2006

Chair Haukohl called the meeting to order at 8:47 a.m.

Present: Supervisors Pat Haukohl (Chair), Pamela Meyer, Don Broesch, Rodell Singert, and Genia Bruce. Bill Kramer arrived at 8:55 a.m. **Absent:** Ted Rolfs.

Also Present: Legislative Policy Advisor Mark Mader, Chief of Staff Lee Esler, Deputy Inspector Steve Marks, Deputy Dan Billington, Judge Michael Bohren, District Court Administrator Mike Neimon, Corporation Counsel Tom Farley, Collections & Business Services Manager Sean Sander, Treasurer Pam Reeves, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Employee Benefits Administrator Pete Hans, Employment Services Manager Sue Zastrow, Accounting Services Manager Larry Dahl, and Senior Financial Analyst Paul Berthold. Recorded by Mary Pedersen, County Board Office.

Public Comment

Singert distributed a newspaper article on the 25th anniversary of Reaganomics and believes we should apply its principles to this next budget process.

Approve Minutes of 8-2-06

MOTION: Broesch moved, second by Bruce to approve the minutes of August 2. Motion carried 5-0.

Schedule Next Meeting Dates

Haukohl said the next Finance Committee meeting was scheduled for September 6th. Broesch said he would not be able to attend that meeting.

Chair's Executive Committee Report of 8-14-06

Haukohl advised of the following items discussed at the last Executive Committee meeting.

- Selected Steve Wimmer to fill the vacant County Board seat.
- Approved ordinance 161-O-033 which consisted of an extended list of contraband pertaining to courthouse security.
- Approved resolution 161-R-004 to approve drafting a contract to share our Emergency Manager with Ozaukee County. Haukohl and others expressed concerns, primarily about caseload and potential time constraints, although she supports the concept.
- Approved the appointments that were included in the last yellow packet.
- Those who attended the Annual National Association of Counties (NACo) Convention gave a report.

Approve Purchase of Accident Reconstruction Computer (Change of Budget Intent)

Marks and Billington were present to discuss this issue. The Sheriff's Department had budgeted \$5,000 for anti-crime information programs using seized funds. Staff are requesting approval to reallocate \$1,800 of this amount to purchase a TDS Data Collector for use by their accident reconstruction unit in coordination with their QuickMap reconstruction software. This collector

upgrades their current system to allow usage in below freezing temperatures, as well as being shockproof and waterproof. Staff are also requesting to allocate an additional \$1,200 to purchase six 400 BG hard drives for the forensic intelligence unit.

Kramer arrived at 8:55 a.m.

MOTION: Broesch moved, second by Kramer approve the change of budget intent for the Sheriff's Department. Motion carried 6-0.

Discuss Courthouse Secured Access

Haukohl said Bohren had asked to appear before this committee to give history on this issue and answer questions after the fund transfer to proceed with the courthouse security plan was denied at the last meeting. Bohren said there are two committees. One is a Supreme Court committee on which County Board Chair Jim Dwyer serves. Its purpose is to maintain security for the courts system; this doesn't go beyond the courthouse. There is also a security committee consisting of county employees (but no County Board representation) and this committee's purpose is overall security including Courthouse, Administration Center, etc. Bohren said after the fund transfer was denied, he asked Risk Management Administrator Laura Stauffer, a member of the security committee, to invite a member of the County Board or County Board Office to attend these meetings to obtain information. He appreciates the County Board's concern that they weren't at the table listening. He noted that since the fund transfer denial, the security committee hasn't met but he's confident that when they do meet again, a County Board representative will be in attendance. They have also asked that Clerk of Courts Carolyn Evenson or her representative be on the committee. She started to attend about three or four weeks ago. Bohren said he and the other judges would like the security plan in place as soon as possible and once the go-ahead is given, it should move forward rather quickly.

Singert felt the fund transfer should be approved so the project can move forward. He said he had complete faith in their judgment. Haukohl agrees we need to move forward but said the primary concern by some County Board members was that they had not been involved in the decision-making process. Had there been County Board involvement from the start, many of these issues would have been resolved. She believes the County Board should also be able to review this issue 18 months after implementation. She expressed disappointment that the County Executive vetoed this. She compared her ongoing concerns with courthouse security with Singert when he had special interest in how the jail was being built. Broesch believes an attempt has been made to over-simplify the courthouse security issue by talking about a crosswalk and a door; that is not the issue. Regardless of what the newspapers have reported, this committee has not held up courthouse security. This committee does not rubber-stamp whatever comes before them and everything is and should be examined closely. He felt the County Board had a right to know how the \$200,000 would be spent. He said he had a responsibility to his colleagues on the board to give them the opportunity to express their views regarding the expense of courthouse security and have any questions answered.

Bohren said he does want to report back to the County Board as to how it's functioning and keep everybody up to speed on how it is operating. Mike Neimon and Bob Snow of the Clerk of Courts Office will have the ability to look up a record of all security instances. Once data has been collected, they will be in a better position to make modifications and fine-tune the security

process. The Sheriff's Department has developed four threat levels and can look up on the computer what types of situations have occurred. Staff distributed copies of "Overview of the Control Program for the Waukesha County Administrative and Courthouse Complex," "Threat Levels as Defined by Waukesha County Sheriff Office," and "Campus Security Update Report for January 2006 through June 2006." Singert felt this information was important and should be copied to the full County Board whereby staff agreed. Bohren said he would be happy to take the committee on a courthouse tour to get an idea of security and general operations. He noted this would take about two hours.

Motion by Chair Haukohl to Reconsider Fund Transfer 06-501000-01: Non- Departmental – Transfer Funds from Interdepartmental Expenses to Operating Expenses and Fixed Assets in Order to Direct Staff to Draft an Ordinance to Bring Said Fund Transfer to the County Board

MOTION: Haukohl moved, second by Broesch to reconsider fund transfer 06-501000-01. Motion carried 5-0. Singert was absent for the vote.

Esler said a draft ordinance was available for review which could be considered by the Finance Committee and the County Board on Tuesday, August 22nd.

MOTION: Broesch moved, second by Kramer to bring said fund transfer in the form of an ordinance to the County Board.

This issue was discussed and debated.

Motion defeated 2-4. Kramer, Meyer, Singert, and Bruce voted no.

MOTION: Singert moved, second by Kramer to approve fund transfer 06-501000-01.

Broesch said he would vote in favor of the fund transfer but was disappointed the full County Board would not be involved. Haukohl agreed and said she did not want to delay courthouse security but she too was disappointed that some committee members felt the County Board was unable to handle this. Bruce felt this was the Finance Committee's responsibility as are all fund transfers. She added that an ordinance could have been defeated on the board floor whereby Haukohl said this would have spoken volumes.

Motion carried 6-0.

2nd Quarter Status Report on Collections

Sander discussed his report entitled "Collections Division Delinquent Collection / Referral Analysis: 2006 Six-Month Report." Total six-month collections decreased 7.3% from 2005 and decreased 2.5% from 2004. Total collections retained by the County through 6-30-06 was \$1,118,514, compared to \$1,198,843 during the first six months in 2005. Tax intercept collections totaled \$629,558 through 6-30-06 versus \$700,126 through 6-30-05. A total of 3,116 tax intercept payments were received on accounts in 2006. This compares to 2,856 in 2005. New revenue sources identified / implemented by Collections have generated \$688,010 of additional revenues for the County in the first six months of 2006.

Update on In-Rem Foreclosure Actions

Reeves discussed her report entitled “In-Rem Acquired Properties in 2006 – Foreclosure of 2002 and Prior Years’ Taxes” which included information on property address and district number, former owners, assessed and equalized values, and taxes, interest, penalty, and fees paid by 9-30-06.

Six-Month Status Report on General Funds

Swartz and Witkowski discussed their report entitled “6 Months – 2006 Budget Monitoring Summary Report – General Fund Operations.” For the first six months of 2006, General Fund actual operating expenditures were \$43.3 million or 47.0% of the total modified expenditure budget of \$92.2 million versus expenditures for the same period in 2005 of \$39.6 million or 47.2% of total 2005 actual expenditures of \$83.9 million. Operating revenues achieved during the first six months of 2006 were \$15.4 million or 42.8% of the modified revenue budget of \$36.1 million. This compares favorably to the first six months of 2005 when revenues of \$14.0 million were approximately 41.1% of the total revenues earned of \$34.1 million for 2005.

Review Finance Committee Future Agenda Items List

The committee reviewed and revised the future agenda items list.

Ordinance 161-O-034: Modify Pension Contributions For Non-Represented, New Employees

Hans and Zastrow were present to discuss this ordinance. It states that effective January 1, 2007 all newly hired regular full-time and regular part-time non-represented employees will contribute 1% of wages toward the employee share of the Wisconsin Retirement System (WRS) during their entire term of employment with Waukesha County. Mader said the current County policy requires newly hired non-represented employees to pay the employee’s share of the WRS required contribution for the first six months of employment, after which the County pays both the employee and employer contributions for the remainder of the employee’s career at Waukesha County. To answer Singert’s question, Hans advised this does not apply to County Board Supervisors or the other elected officials.

While many factors are involved and will impact savings, staff estimate County savings would gradually build over time to about \$100,000 annually in the tenth year. Over the very long term, after all the affected positions turn over, the change will result in an annual savings of slightly under 1% of non-represented salaries or about \$280,000 annually in 2006 dollars. Employees who quit have the option to cash out their pension. However, if they are not retirement age they can only receive the employee’s share. Copies of amendments approved by the Personnel Committee were distributed. These amendments basically clarify intent.

MOTION: Broesch moved, second by Bruce to approve ordinance 161-O-034 as amended by the Personnel Committee. Motion carried 6-0.

Ordinance 161-O-035: Employee Retention/Severance Salary And Benefits For 2007

Zastrow said a retention ordinance such as this is brought forward each year. During the annual budget process, it’s possible for certain employees to be laid off. This ordinance states that any employee laid off in 2007 would be eligible for a severance package. In the past few years they have offered three weeks of severance pay for those with less than three years of service and six

weeks for those with more than three years of service. This ordinance adds a third tier: nine weeks of severance pay for employees with ten or more years of service.

MOTION: Kramer moved, second by Meyer to approve ordinance 161-O-035. Motion carried 6-0.

Ordinance 161-O-036: Adopt A Consumer Driven Health Plan/Health Savings Account As An Option Under The Point-Of-Service Health Plan

Hans said this ordinance introduces a new health plan with our UnitedHealthcare Point of Service Plan. It would be made available, as an option, to non-represented employees effective January 1, 2007. The plan design was created by the insurance industry in an effort to change the health care market. It's based on two concepts: a high deductible health plan coupled with a health savings account. The health savings account is a tax-advantage product that is funded by both employer and employee contributions. The money that goes into a health savings account can be used by the individual to pay for their deductible or they can choose not to use the funds whereby the money will rollover year after year. Hans advised that deductibles are higher than the standard plan and they will increase each year although County contributions into the health savings account are locked in. The health savings account is an important tool that can be made available to our employees to cover their retiree health insurance expenses. The money goes in on a pretax basis and once the employee builds a certain balance they can start investing it in mutual fund options as well. The out-of-pocket expenses of this plan will make employees evaluate their situation before going to a doctor (preventative care is covered 100%), ask questions, shop around for price, and make an informed economic decision.

Hans said the plan was designed to be attractive to employees yet still save the County money. Based on actuarial averages, the County could expect annual average savings of \$1,000 per family plan and \$175 per single plan.

MOTION: Bruce moved, second by Meyer to approve ordinance 161-O-036. Motion carried 6-0.

MOTION: Kramer moved, second by Broesch to adjourn at 12:10 p.m. Motion carried 6-0.

Respectfully submitted,

Approved on:_____

Bill Kramer
Secretary